

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE SALE AND DETARIFFING OF)	ADMINISTRATIVE
EMBEDDED CUSTOMER PREMISES)	CASE NO. 269
EQUIPMENT)	

O R D E R

IT IS ORDERED that all telephone exchange carriers (except South Central Bell Telephone Company) shall file an original and seven copies of the following information with the Commission no later than 20 days from the date of this Order. This information will assist the Commission in making the necessary decisions needed to develop a plan to detariff embedded CPE owned by independent telephone companies.

1. Are embedded CPE charges currently separated on monthly bills?
2. How many total units of embedded CPE were on hand at January 1, 1983? What was the gross and net book value of these units by type of equipment at that date and at December 31, 1983?
3. How many units have been returned to you by customers that you continue to serve basic service? (Provide a monthly breakdown starting with January, 1983.)

4. Provide a current breakdown of the number of units by specific types of equipment of telephone sets reflected on your books.

5. Provide a breakdown of the number of units by specific type of equipment of telephone sets currently in the field.

6. What procedure is followed to account for lost/stolen CPE?

7. Has a field inventory audit been used to determine actual inventory amounts? If so, when was the last one performed? Provide the results.

8. Estimate the transaction cost to be incurred with the sale of each unit of CPE. Show support for this figure.

9. Is it Company's opinion that an immediate sales program under tariff is needed to curb the return of embedded CPE to inventory? (Note: This question is not applicable to exchange carriers already offering service under tariff.)

10. For the calendar year ending December 31, 1983, provide the following information:

1) Annual lease revenue from embedded CPE (aggregate). If available also provide this on a monthly basis.

2) Annual above-the-line expenses associated with the provision of embedded CPE. This should include both the direct expenses as well as allocation of common overhead costs. Provide the assumptions and bases used to determine the allocated share of common costs. If available also provide this on a monthly basis.

The Commission intends to accord confidential treatment to utilities responses which contain sensitive information or trade secrets upon request, where appropriate. Please indicate those responses which are deemed confidential.

Done at Frankfort, Kentucky, this 8th day of May, 1984.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary